## **CLAIMS**

What is claimed is:

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1. A method for encoding an input data signal comprising of the steps of:

performing a signal decomposition on the input digital signal to obtain a transformation of said input signal;

forming a plurality of subsets of the transformed data signal corresponding to a set of regions of the data set by grouping the transformed data; and

calculating a measure of activity corresponding to each of the plurality of subsets of the transformed data.

- 2. The method according to claim 1, further comprising a step of: selecting a set of regions based on the measure of activity.
- The method according to claim 2, further comprising a step of:

  ordering the set of regions based on the magnitude of the measure of activity

  corresponding to each of the plurality of subsets of the transformed data.
- 4. The method according to claim 3, further comprising a step of:

  determining whether to extract a subset of the transformed data of spatially correlated regions on the basis of the measure of activity; and extracting such subset from the transformed data.
- 5. The method of claim 1, where the set of transformed data corresponds to the sub- banded output of a multi-level wavelet transformation.

6. The method according to claim 5, further comprising a step of: selecting a set of regions, corresponding to the lowest frequency sub-band, sub-band 0, based on the measure of activity.

- 7. The method according to claim 6, further comprising a step of: ordering the set of regions based on the magnitude of the measure of activity.
- 8. The method according to claim 5, further comprising the steps of: selecting a set of regions based on the measure of activity for the three sub-bands spatially adjacent to the lowest frequency sub-band;

ordering the set of regions corresponding to each of the three sub-bands based on the magnitude of the measure of activity; and

using the measure of activity to determine whether to extract a subset of the transformed data in the regions corresponding to their spatially correlated higher frequency sub-bands.

9. The method according to claim 8, further comprising the step of: ordering the set of regions corresponding to the spatially correlated higher frequency sub-bands based on the magnitude of the measure of activity.

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- 10. The method according to claim 9, further comprising the step of: selecting the set of regions based on either the channel bandwidth, or bit rate, or image quality, or image resolution.
- 25 11. A method of processing a set of transformed input data outputted by a wavelet filter bank decomposer comprising the steps of:

  receiving a set of transformed data input;

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computing a set of measures of variation corresponding to as set of selected areas of a transformed input data;

selecting a subset of the set of areas of the transformed input data on the basis of the set of measures of variation;

determining an ordering for the subset of the set of areas on the basis of the set of measures of variation; and

grouping a set of subsets of the set of transformed input data on the basis of the set of measures of spatially correlated sub-bands.

- 10 12. The method according to claim 11, further comprising the step of: transmitting the set of subsets of the set of transformed data coefficients.
  - 13. The method according to claim 11, wherein the step of computing a set of measure of variation corresponding to a set of selected areas of transformed input data comprises the sub-steps of:

selecting a plurality of blocks of transformed input data corresponding to the set of all sub-bands;

forming norm planes of a plurality of blocks of transformed input data on the basis of the set of measures of variation.

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- 14. The method according to claim 13, wherein each formed norm plane of the set of norm planes is further constructed from subsets of spatially correlated sub-bands.
- 15. The method according to claim 14, where in the norm planes are sorted in order of importance based on the magnitude of the set of measures of variation.
  - 16. The method of claim 15, further comprising the step of selecting a number of sorted norm planes according to system channel bandwidth or rate.

17. A wireless system according to claim 15, further comprising an encoder including programming instructions for transmitting all the norm planes

- 18. A wireless system according to claim 15, further comprising an encoder including instructions for transmitting a subset of the norm planes according to system channel bandwidth.
- 19. A wireless receiving system according to claim 15, further comprising a
   10 decoder including instructions for decoding the received subset of the norm planes.